



Higher Education Emergency Relief Fund

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Agenda

- **HEERF overview & discussion**
- **Uniform Guidance considerations**
- **What you should be doing now**





HEERF Overview & Discussion

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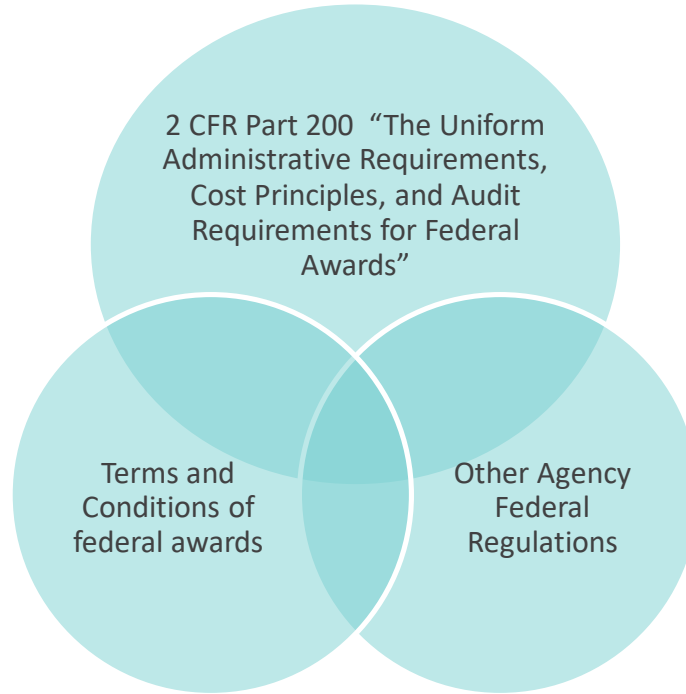


Uniform Guidance Considerations

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Sources of Grant Compliance Requirements



Uniform Guidance

The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

Codified in Federal Regulations at 2 CFR Part 200



What is subject to Uniform Guidance?

Federal financial assistance means assistance that non-Federal entities receive or administer in the form of:

- (1) Grants;
- (2) Cooperative agreements;
- (3) Non-cash contributions or donations of property (including donated surplus property);
- (4) Direct appropriations;
- (5) Food commodities; and
- (6) Other financial assistance
- Does not include amounts received as reimbursement for services rendered to individuals (e.g. Medicare / Medicaid)



Uniform Guidance

Subpart A –
Acronyms and
Definitions

Subpart B –
General Provisions

Subpart C – Pre
Federal Award
Requirements

Subpart D – Post
Federal Award
Requirements

Subpart E – Cost
Principles

Subpart F – Audit
Requirements





Procurement

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Procurement Policy

Must have
written
procedures for
procurement
transactions.



Procurement

Question

- Can/should an organization have different procurement procedures for federal and nonfederal procurements?

Answer

- The nonfederal entity must use its own documented procurement procedures which reflect applicable State, local, and tribal laws and regulations, provided that the procurements conform to applicable federal law and the Uniform Guidance.



Procurement

- Uniform Guidance allows for 5 acceptable procurement methodologies



§200.320 Methods of Procurement

Method	Dollar Threshold
Micro-purchase	Not to exceed micro-purchase threshold (\$0 - \$10,000)
Small purchase procedure	Greater than micro-purchase, not to exceed the Simplified Acquisition Threshold (\$10,001 - \$249,999)
Sealed bid	Greater than the Simplified Acquisition Threshold (\$250,000 and greater)
Competitive proposal	Greater than the Simplified Acquisition Threshold (\$250,000 and greater)
Noncompetitive proposal (Sole Source)	Greater than micro-purchase threshold (\$10,000 and greater)



Micro-Purchases

Characteristics

- Acquisitions that, in aggregate, do not exceed micro-purchase threshold
- Micro-purchase threshold set by Federal Acquisition Regulation (FAR) at 48 CFR, Subpart 2.1
- Subject to change
- Currently \$10,000

Requirements and Documentation

- No quotes required if price is reasonable
- **Must** distribute equitably among qualified suppliers
- COFAR FAQ 200.320-1 provides an example of distributing micro-purchases



Small Purchases

Characteristics

- Acquisitions more than micro-purchases but not greater than simplified acquisition threshold
- Simplified Acquisition Threshold set by FAR at 48 CFR, Subpart 2.1
 - Subject to change
 - Currently \$250,000

Requirements and Documentation

- Price or rate quotations **must** be obtained from adequate number of sources (at least 2)
- Can be informal – phone call or web search
- All quotations, including phone calls, web searches, etc., **must** be documented and kept on file
- Price does not need to be deciding factor but all quotes need to be kept in procurement records



Proposals

Characteristics

- Procurements more than simplified acquisition threshold
- Normally conducted with more than one source submitting an offer
- Either a fixed price or cost-reimbursement type contract is awarded
- Generally used when conditions not appropriate for sealed bids

Requirements and Documentation

- **Must** be publicized and identify all evaluation factors and their relative importance.
- **Must** be solicited from an adequate number of qualified sources
- **Must** have a written method for conducting technical evaluations of the proposals and selecting recipients
- Contracts **must** be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered



I. Procurement, Suspension, and Debarment

See Part 3, Section I, “Procurement, Suspension, and Debarment.”

For those procurements supported by HEERF grant funds, auditors should determine if institutions sufficiently documented rationales and determinations in making any sole-source awards during the time of national emergency due to the coronavirus. **Exceptions from the competitive procurement requirements of the Uniform Guidance may be accepted if institutions have documented that the public exigency or emergency would not permit a delay, in accordance with 2 CFR section 200.320(f)(2).** A circumstance that may influence this determination is the length of time between the procurements and the

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December 2020

CARES Act - HEERF

ED

emergency at issue. Specifically, exceptions are more likely to be acceptable the closer the procurement occurred to the March 13, 2020 declaration of the national emergency.



Noncompetitive Procurements

Characteristics

- Procurement through the solicitation of a proposal from only one source
- May be used only when:
- The item is available only from a single source
 - The public exigency or emergency will not permit a delay resulting from competitive solicitation
 - Federal awarding agency or pass-through entity expressly authorizes its use in response to a written request
 - After solicitation of a number of sources competition is determined inadequate

Requirements and Documentation

- Justification of the use of sole source needs to be documented
- Document any research on availability from multiple sources
- Retain documentation of authorization
- Document any initial solicitations from multiple sources which are concluded to be inadequate, and document why



Procurement (200.318(h))

Organizations Must Award Contracts Only to Responsible Contractors:

Contractors must possess the ability to perform successfully under the terms and conditions of a proposed procurement.

Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.

Procurement (200.318(h))

Suspension and Debarment

Checks for contracts over \$25,000 should be made on the EPLS site – (www.sam.gov) and documentation kept

or add in the clause in the procurement contract

Best practice recommendation is to do this on every procurement with federal funds!



Procurement Records (200.318(i))

Records must be sufficiently maintained to detail the history of procurement:

- Detail history of the procurement [different for each procurement method]
- Rationale for method of procurement
- Selection of contract type
- Contractor selection or rejection



Contracting with disadvantaged businesses (200.321)

The non-Federal entity must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible.



Contracting with disadvantaged businesses (200.321)

Affirmative steps must include:

- Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
- Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
- Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;
- Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
- Requiring the prime contractor, if subcontracts are to be let, to take affirmative steps



Contracting with disadvantaged businesses (200.321)

Small Business Enterprises:

- Website: <http://dsbs.sba.gov>
- Search based on specific NAICS codes (<http://www.naics.com/search/>)

Minority Business Enterprises and Women's Business Enterprises:

- Website: <http://www.sba8a.com/>
- Search based on Industry code and/or state location

Labor Surplus Area Firms:

- Website: <https://www.doleta.gov/programs/lsa.cfm>
- Note that this list is updated on an annual basis and therefore look under “related links” box to find latest list issued by DOL





Prior Approvals

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HEERF FAQ #20:

- <https://www2.ed.gov/about/offices/list/ope/updatedfaqsfora1crrssaheerfii.pdf>
- 20. Question: Under the Uniform Guidance requirements, institutions must receive prior written approval (prior approval) for a many types of costs under 2 CFR § 200.407. Is that prior approval required for HEERF grants?



HEERF FAQ #20:

20. Question: Under the Uniform Guidance requirements, institutions must receive [prior written approval](#) (prior approval) for a many types of costs under [2 CFR § 200.407](#). Is that prior approval required for HEERF grants?

Answer: Generally, no. This FAQ constitutes notice that due to the COVID-19 pandemic, the Department is providing its prior approval for the following cost items for all formula grants under the HEERF program from March 13, 2020 through the period of grant performance specified under your institution's GANs for all HEERF grants, whether awarded under section 18004 of the CARES Act or section 314 of the CRRSAA:

- [§ 200.308 Revision of budget and program plans](#)
- [§ 200.313 Equipment](#)
- [§ 200.430 Compensation—personal services, paragraph \(h\)](#)
- [§ 200.431 Compensation—fringe benefits](#)
- [§ 200.456 Participant support costs](#) (defined at [§ 200.75](#))
- [§ 200.458 Pre-award costs](#)
- [§ 200.475 Travel costs](#)



HEERF FAQ #20:

All cost items charged under these categories must be documented and, as with all costs, must be reasonable and necessary for the performance of the grant per the Cost Principles of the Uniform Guidance, [2 CFR part 200 subpart E](#).

Please note that, per the Certification and Agreements and Supplemental Agreements for the HEERF program and under section 314(d)(3) of the CRRSAA, senior administrator and executive salaries, benefits, bonuses, contracts, and incentives; stock buybacks, shareholder dividends, capital distributions, and stock options; and any other cash or other benefit for a senior administrator or executive are not allowable costs under the HEERF program.

Other cost items listed in [2 CFR § 200.407](#) that require prior approval continue to require the institution to seek approval from the Department prior to charging those cost items to your HEERF grant. Please email of your assigned education program officer contact as indicated by Box 3 in your GAN with any questions.



Prior Written Approval - Section 200.407

(a) §200.201 Use of grant agreements (including fixed amount awards), cooperative agreements, and contracts, paragraph (b)(5);

(b) §200.306 Cost sharing or matching;

(c) §200.307 Program income;

(d) §200.308 Revision of budget and program plans;

(e) §200.311 Real property;

(f) §200.313 Equipment;

(g) §200.332 Fixed amount subawards;

(h) §200.413 Direct costs, paragraph (c);

(i) §200.430 Compensation—personal services, paragraph (h);

(j) §200.431 Compensation—fringe benefits;

(k) §200.438 Entertainment costs;

(l) §200.439 Equipment and other capital expenditures;

(m) §200.440 Exchange rates;

(n) §200.441 Fines, penalties, damages and other settlements;

(o) §200.442 Fund raising and investment management costs;

(p) §200.445 Goods or services for personal use;

(q) §200.447 Insurance and indemnification;

(r) §200.454 Memberships, subscriptions, and professional activity costs, paragraph (c);

(s) §200.455 Organization costs;

(t) §200.456 Participant support costs;

(u) §200.458 Pre-award costs;

(v) §200.462 Rearrangement and reconversion costs;

(w) §200.467 Selling and marketing costs;

(x) §200.470 Taxes (including Value Added Tax); and

(y) §200.474 Travel costs.





What should you be doing now?

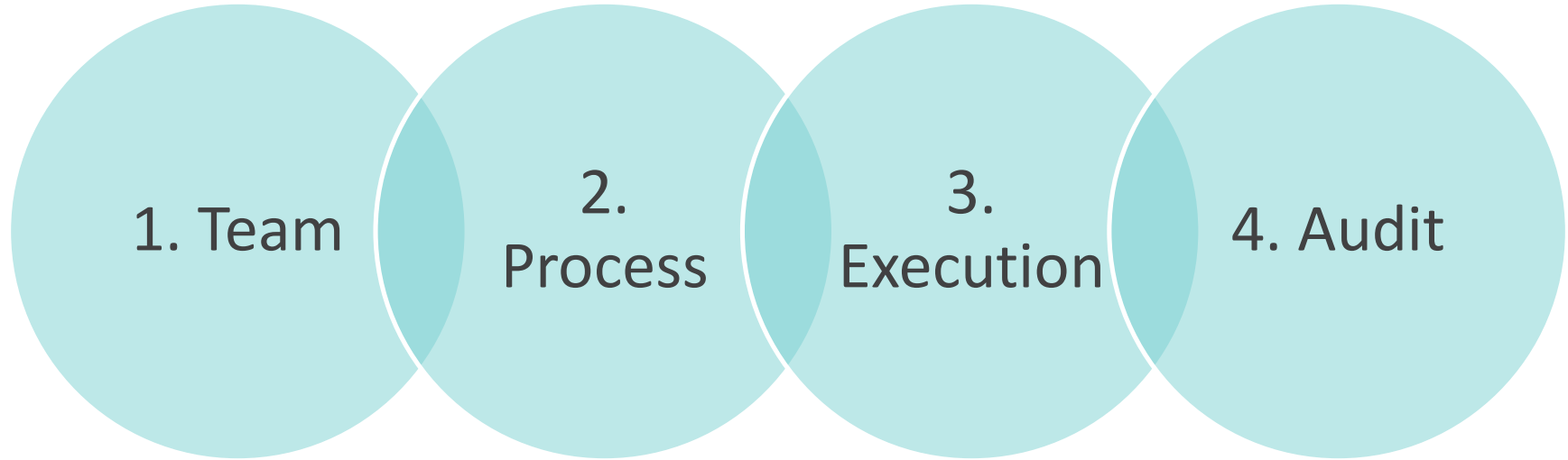
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Identify Costs



Identify Uses for Institutional Funds



1. Develop Your Team



Financial Aid



Department
Heads



Grant
Compliance



Procurement



Finance



Information
Technology

2. Project Review & Approval Process

Compliance

- Allowable costs
- Allowable activities

Sustainability

- 1-year timeline
- Future funding?

Documentation

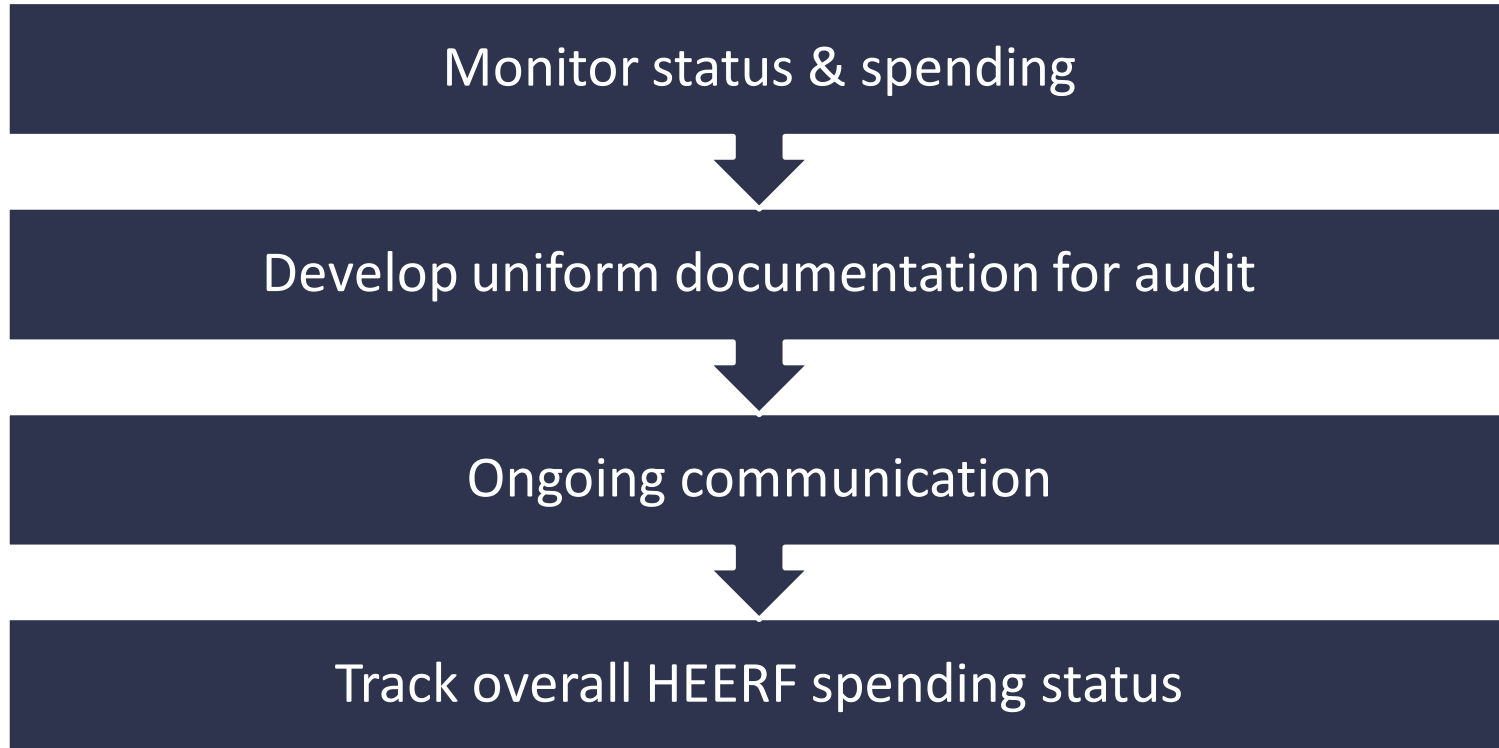
- Standardized forms
- Consistency & completeness

Advising

- Match projects to reviewers/sponsors
- Revise project scope



3. Project Execution



4. Audit Considerations

Documentation of processes & approvals

Tests of compliance: procurement

Consultation with auditors before the audit

Reporting

GAAP accounting for grant proceeds



Other Factors

Education &
training

Internal
capacity

Documented
policies &
procedures

“Versioning”

Indirect cost
rate





Questions?

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Thank you!

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